



REP. ED ORCUTT

18th LEGISLATIVE DISTRICT



May 2008

2008 SESSION REVIEW

Serving the 18th District,
including portions of Cowlitz
and Clark counties

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- Finance (*Ranking Republican*)
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Legislative information on the Internet:

www.leg.wa.gov

State government on the Internet:

www.access.wa.gov

Dear friends,

There are plenty of people in Olympia who like spending your hard-earned tax money – and they want even more of it. But I'm not one of them. Instead, I believe that the safest place for tax money is in the hands of the taxpayers – like you! That's why, as the ranking member of the House Finance Committee, I am seeking ways to lessen your tax burden, fighting against tax increases, and working to ensure accountability with every tax dollar government takes – money you worked hard to earn.

When the 60-day session began Jan. 14, I had hoped we could continue efforts to provide additional property tax relief that began during the November one-day special session. I had hoped we could reach agreement on legislation to increase economic development and jobs, and decrease the tax burden on our employers. And to protect taxpayers, I hoped we could hold the line against additional spending in the supplemental operating budget. Unfortunately, the legislative majority had other ideas.

Although the Legislature missed these opportunities, I worked hard to make progress in other areas, such as tax relief for veterans, flood prevention for homeowners, support for skills centers, and protecting the rights of law-abiding gun owners. This newsletter provides a brief look back on these and other issues of the 2008 legislative session, which ended March 13.

State law limits me to this one report until later this year. However, I am still allowed to answer your questions and help you deal with state government, so I invite you to continue communicating with me through e-mails, phone calls and letters. I would be glad to meet with you, too.

Thank you for the honor of allowing me to serve, defend and represent the interests of our hard-working families in the 18th District.

Sincerely,

Rep. Ed Orcutt



Supplemental budget spends deeper toward deficit

The supplemental budget should make corrections in the two-year operating budget approved last year, such as addressing unanticipated costs or emergency needs. It is not supposed to provide additional spending for new programs. Unfortunately, it seems the Legislature still cannot control its level of spending. The supplemental operating budget approved this year increases spending by more than \$291 million at a time when we can least afford it.

As a member of the state's Economic and Revenue Forecast Council, I was very concerned when the February forecast projected a \$423 million revenue decline – not so much about how this would affect future budgets, but my concerns are centered on the impact to Washington taxpayers.

It's important to understand the state doesn't have a revenue problem. Even with the decline, the state still has (for now) a revenue surplus. Instead, we have a spending problem. In the past four years, spending has increased by 33 percent. The state is spending more than it is taking in. At this rate, the Senate Ways and Means Committee predicts Washington will face a \$5 billion budget deficit by 2013.

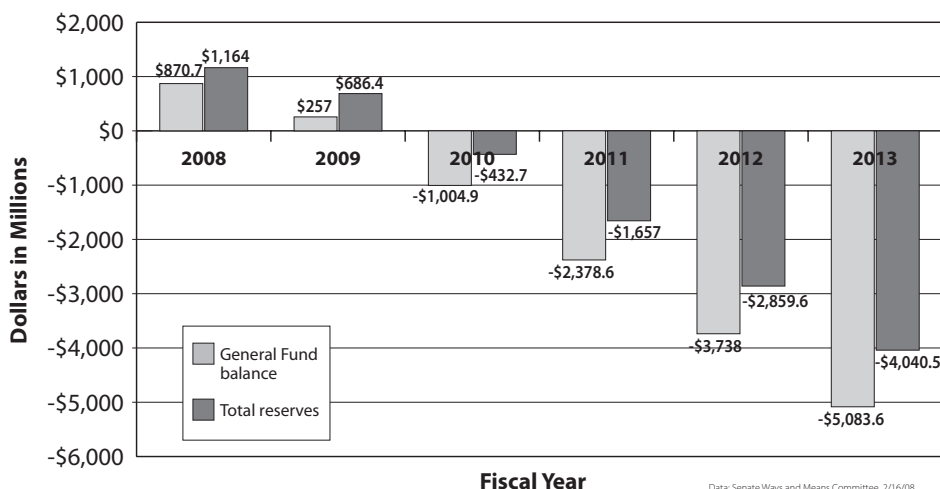
There are only two ways to get out of a deficit, and that's to cut spending or raise taxes. You're already taxed enough. Instead, we need to set priorities of government and prevent additional spending that would harm our future economy.



"I am concerned about how this could impact Washington's taxpayers. This new forecast is an indicator of our future economy. How will this affect family budgets? What could this mean in regard to their jobs? My concerns go much deeper than the impact on the state budget. It is very much about the economic impact on families."

Rep. Ed Orcutt, Economic and Revenue Forecast Council member, on the revenue forecast - Feb. 15, 2008

According to a Senate Ways and Means Committee analysis, a large state surplus turns into a deep deficit within a few years.



Data: Senate Ways and Means Committee, 2/16/08. Assumes Governor's 2008 Supplemental with January Errata and February 2008 caseload and revenue forecasts.

Budget transparency increased

If we are to restore trust in government, we need to ensure budget transparency. This year, I was pleased to support passage of Senate Bill 6818, which helps to provide a clearer view of the budget by allowing you to see on a Web site how your money is spent.

Defending taxpayers against ill-conceived tax increases

In Olympia, there's no end of imaginative ways to try to separate your money from you. A prime example is Senate Bill 6900. This measure would have imposed a "vehicle engine displacement and emissions fee" ranging from \$70 for a 2-liter engine to \$600 for engines of 8 liters or more. The Office of Financial Management projected the cost to taxpayers as high as \$1.7 billion over five years – potentially devastating to middle- and lower-income folks in Southwest Washington.

My position on the bill is OPPOSED. I also opposed the addition of weight fees as part of the 2005 transportation funding (tax) package. I thought \$30 car tabs was supposed to mean \$30 car tabs.

Although this bill died, I am sure the tax-and-spenders will be back for more next year. I'll keep fighting on your behalf against those in Olympia who want to take more of your hard-earned money.



Flood prevention efforts

In February, the House Agriculture and Natural Resources Committee approved House Bill 2628, a measure I prime-sponsored to help landowners protect their properties from floods. The bill would have required the Department of Fish and Wildlife to make engineered bank stabilization methods available to citizens, and provide the technical assistance necessary that would help protect their homes and properties from bank erosion.



Although the measure died in the House Appropriations Committee, I'll keep working on this issue.

The Legislature did approve House Bill 2525, which requires the Department of Fish and Wildlife to issue expedited hydraulic project approval (HPA) permits whenever the governor or the county declares an emergency related to flooding. Counties are also authorized to declare two or more consecutive years of flooding as a "chronic danger." The permits would allow stream bank stabilization to protect homes and property.

Money was also made available to our Lewis County neighbors to the north who were hit hard by December's devastating floods. The funding will draw federal matching dollars for a U.S. Army Corps of Engineers levee plan.

Property tax relief efforts punted

Following the November one-day special session in which the 1 percent levy limit was restored, I had hoped the momentum for further property tax relief would continue into the 2008 session. After all, the Senate majority leader told the Spokesman Review Dec. 3, "This is not the end of the property tax discussion. It's really kind of the kickoff."

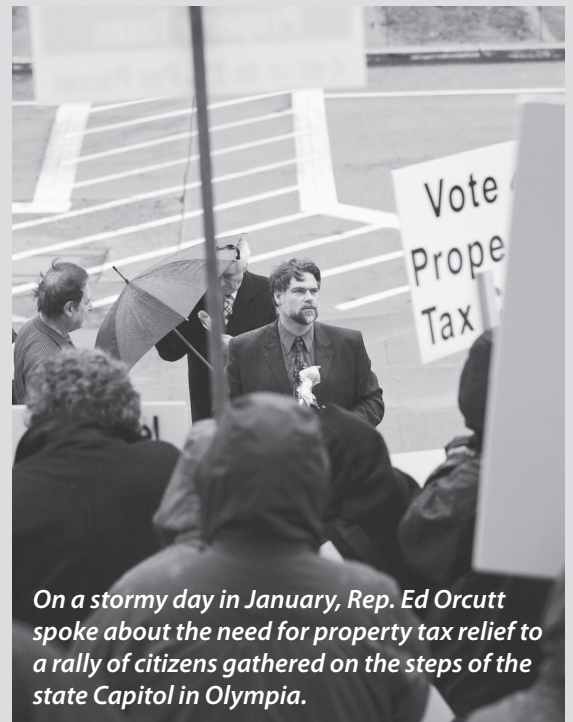
During the 2008 session, I sought to advance the following property tax relief proposals I introduced:

- **House Bill 2418** - Would have required voter approval to use "banked capacity." Currently, the law allows local governments to store any unused levy increases (banked capacity) and use them for a future year to tax beyond the 1 percent limit.
- **House Bill 3270** - Would have required county assessors to provide to the Department of Revenue property tax statistics and information on banked levy capacity.
- **House Bill 3273 and House Joint Resolution 4228** - Would have provided for "assessment averaging" that could help prevent sharp property tax spikes.

Unfortunately, the **kickoff** for property tax reductions was followed by a **punt**. Despite our efforts for major property

tax relief, we were only able to claim small victories.

A partial fix was approved to an inadvertent error in a law passed by the 2007 Legislature that made voter-approved multi-year levy lid lifts permanent. Senate Bill 6641 makes future lid lifts temporary unless otherwise stated on the ballot. My legislation, House Bill 2627 and Amendment 1427 to SB 6641, would have made the law retroactive to July 22, 2007, to ensure levy lid lifts approved since that date are temporary unless voters are told otherwise. The majority party rejected these proposals, meaning some property owners may be stuck with permanent property tax increases.



On a stormy day in January, Rep. Ed Orcutt spoke about the need for property tax relief to a rally of citizens gathered on the steps of the state Capitol in Olympia.

Gun-control measure stopped

This year, legislation would have required that handgun ammunition to be coded with an individual serial number and entered into a statewide database. Under House Bill 3359, encoded ammunition would



measure would only serve to harass law-abiding gun owners, as criminals are not likely to purchase ammunition through

have included the purchaser's name, date of birth, and other personal information. This

legal channels. Fortunately, we were able to prevent it from advancing.

I oppose restricting lawful use of firearms. In my view, the best gun control is to place the gun firmly in the hand of a law-abiding citizen. If that isn't enough, then that citizen should use both hands!

Honoring our veterans



Our veterans have sacrificed greatly to allow us to live and prosper in a free nation. I am pleased to support the following legislation to help our veterans and their families.

Property tax relief

Senate Bill 5256 excludes federal veterans benefits awarded for service-connected disabilities from income for purposes of qualifying for both the property tax exemption and deferral programs. This measure expands the number of veterans who qualify for this tax relief.

Veteran families tuition waivers

Senate Bill 6371 ensures eligible family members of killed, missing, captured or severely disabled military members can use tuition waivers at Washington's colleges and universities.

Excise tax waivers

House Bill 3283 allows business owners who are deployed in military service to have interest and penalties waived on unpaid excise taxes. Although I co-sponsored this measure, the credit goes to the prime-sponsor, my seatmate, Rep. Jaime Herrera, who worked tirelessly through the session to ensure passage of this legislation.

Support for voc-tech education, skills centers

For students whose strengths lie in "hands-on" learning more than academics, vocational-technical education is a great alternative. This year, the Legislature concentrated efforts on strengthening voc-tech programs to help lower a 30 percent school drop-out rate.

As a member of the House Capital Budget Committee, I was pleased to support funding to expand skills centers in Washington. The supplemental capital budget also includes money that could be used to study the feasibility of a skills center in Cowlitz County.

I also fought to restore \$4.7 million for vocational equipment. This funding had been cut from the House budget proposal, but we were able to keep it in the final budget approved by the Legislature.

Local teens serve as legislative pages

I'd like to thank Corie McDaniel of Kelso (left), and Caitlin Cornell (center) and Amanda Miller (right) of Vancouver, who served as my pages in the House of Representatives this year.

Paging presents students with a unique educational opportunity to participate in the legislative process. Their duties vary from ceremonial tasks, such as presenting the flags, to operational chores like distributing amendments. For more information about the page program, go online to: <http://www.leg.wa.gov/House/PageInternProgram>.



I'm here to serve you!

I greatly appreciate the honor to serve as your state representative. I work for you throughout the year, not just when the Legislature is in session. If you have a question, comment or suggestion, please call my district office in Kalama, write a letter, or e-mail me. Here's my contact information:

District office: (360) 673-4978 • **Toll-Free Legislative Hotline:** 1-800-562-6000

E-mail: orcutt.ed@leg.wa.gov • **Web site:** <http://www.houseRepublicans.wa.gov/orcutt>

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